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O.C. jobless rate No. 3 in U.S., but job creation lags

Unemployment was 4.1% in February. Other areas bested O.C.'s job growth.

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Orange County's low unemployment rate made the region a standout among the country's big metropolitan areas in February, according to the U.S. Labor Department.

But employers here continued to be more reluctant than their counterparts in many other parts of the country to create jobs in February. As a result, Orange County ranked far lower than many of its peers in terms of job growth.

The county's 4.1 percent unemployment rate in February was the third- lowest in the nation, the U.S. Labor Department said Thursday in its monthly tally of joblessness in the nation's 34 most populous metro areas.

Once again, the two metro regions that make up Washington, D.C., bested Orange County. The Bethesda-Frederick-Gaithersburg, Md., region took first place among big metro areas with its 3.4 percent unemployment rate, while the Washington-Arlington-Alexandria, D.C.-Va.-Md.-W.Va. region took second with a 3.8 percent rate.

Orange County had less to boast about, however, in the job-creation category - a measure most economists consider far more important.

While Orange County's job growth rate of 1.9 percent in February was a hair better than the national rate of 1.8 percent, it lagged way behind a lot of other big metro areas, including Las Vegas, which had a 7.6 percent annual job-growth rate, and Phoenix-Mesa- Scottsdale, which had a 4.2 percent annual job-growth rate.

Tracy Clark, the associate director of the BankOne economic outlook center at Arizona State University, says he and his fellow economists pay more attention to the job-creation rate because it says more about the underlying strength or weakness of the labor market than the jobless rate, which is based on a telephone survey and subject to strange forces.

"The unemployment rate tends to do counterintuitive things," Clark said - like rising when the economy is getting better as employers put out "Help Wanted" signs and more job seekers enter the labor force - and falling when the economy is deteriorating, as workers become discouraged and stop looking.

"Job-creation rates, on the other hand, tell you just that: how many jobs are being created in your area."

That's not just Arizona pride speaking. Ping Chang, the chief economist for the Southern California Association of Governments, the planning organization for Orange, Los Angeles, San Bernardino, Riverside, Ventura and Imperial counties, says the job-creation numbers provide "a better indication of how the overall economy is doing."

California's Employment Development Department is scheduled to release March jobless numbers and job-creation figures for Orange County and the rest of the state today.

Last week, the Labor Department said the national unemployment rate fell to 5.2 percent from 5.4 percent in March and that the national job-creation rate slowed to 1.6 percent.